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## **PSC APPROVES ECONOMIC DEVELOPMENT INCENTIVES**

*ULH&P to offer electric rate discounts to customers creating jobs or redeveloping brownfields*

FRANKFORT, Ky. (April 22, 2005) – The Kentucky Public Service Commission (PSC) this week approved a proposal by The Union Light, Heat & Power Co. (ULH&P) to promote economic development by offering discounted electric rates to customers who create jobs, particularly on old industrial sites (brownfields) or in urban redevelopment areas.

“Economic development rates can be a very useful incentive to attract, and encourage the expansion of, large commercial and industrial facilities which create new jobs and invest capital in Kentucky, or locate in designated areas,” the PSC said in its order, issued April 19, 2005.

While economic development rates have been allowed since 1990 through individual contracts between utilities and customers, this is the first time that the PSC has permitted a utility to make such rates part of its published schedules of rates and services, known as a tariff. Including the rates in its tariff would make it easier for customers to identify the utility as one that offers such economic incentives, ULH&P said in its request to the PSC.

“ULH&P’s proposal, specifically those aspects which target urban and brownfield redevelopment, reflects an innovative approach to promoting and assisting economic development in Northern Kentucky,” the PSC said in its order. “The Commission commends ULH&P for its willingness to take an active role in these efforts.”

ULH&P serves about 128,000 electric customers in six Kentucky counties in the Cincinnati area. It is a subsidiary of The Cincinnati Gas & Electric Co. and part of Cinergy Corp.

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The economic incentive programs set minimum qualifications for customers. Economic development customers would need to hire at least 25 new employees per 1,000 kilowatts of electric load and make a capital investment of at least \$1 million per 1,000 kilowatts of load.

To qualify for the urban redevelopment incentive, a customer would have to occupy an existing building of at least 25,000 square feet that has been vacant for at least two years. The brownfield redevelopment rate would be available to customers who locate in a brownfield area as defined by Kentucky or federal law.

In all cases, customers would receive service at a reduced rate for a specified period, and would be required to take a certain level of service for a specified number of years. The terms would be spelled out in a contract with ULH&P, which would require PSC approval.

Today's order and other documents in the case are available on the PSC Web site, [psc.ky.gov](http://psc.ky.gov). The case number is 2004-00253.

The PSC is an agency within the Environmental and Public Protection Cabinet. It regulates more than 1,500 gas, water, sewer, electric and telecommunication utilities operating in the Commonwealth of Kentucky and has approximately 110 employees.

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